the group consisting of: a nucleotide sequence of SEQ ID NO: 25, SEQ ID NO: 27, SEQ ID NO: 29 and SEQ ID NO: 31, and at least one second exon encoding a B7-1 or B7-2 second cytoplasmic domain, wherein the isolated nucleic acid comprises a nucleotide sequence encoding the B7-1 or B7-2 second cytoplasmic domain and said nucleic acid molecule being a naturally occurring variant of the nucleotide sequence shown in SEQ ID NO: 18 or SEQ ID NO:22.

C1

15. (Twice Amended) An isolated nucleic acid molecule [~~which is a naturally occurring variant of the nucleotide sequence shown in SEQ ID NO: 18 or SEQ ID NO: 22~~] encoding a B7-1 or B7-2 protein which binds CD28 or CTLA4 comprising a nucleotide sequence shown in SEQ ID NO: 1.

C2

16. (Twice Amended) An isolated nucleic acid molecule [~~which is a naturally occurring variant of the nucleotide sequence shown in SEQ ID NO: 18 or SEQ ID NO: 22 and~~] encoding a B7-1 or B7-2 protein which binds CD28 or CTLA4 comprising a nucleotide sequence shown in SEQ ID NO: 3.

## REMARKS

Claims 1-17, 30-31, 33-47, 60-61, 63-65, 69-71 and 75-77 are under consideration in the application. Claim 9 was amended to include the word "molecule" after nucleic acid and Claims 15 and 16 were amended to delete the phrase "which is a naturally occurring variant of the nucleotide sequence shown in SEQ ID NO: 18 or SEQ ID NO: 22". The claims as pending are directed to nucleic acid molecules which are alternative splice forms of a transcript which encodes a B7-1 or B7-2 molecule. These B7-1 and B7-2 nucleic acid molecules are naturally occurring variants of the nucleotide sequences shown in SEQ ID NO: 18 or SEQ ID NO: 22 which were not previously known in the art.

### 35 U.S.C. §112, first and second paragraphs

Claims 1-17, 30-31, 33-47, 60-61, 63-65, 69-71 and 75-77 have been rejected under 35 U.S.C. §112, first and second paragraphs. It is the Examiner's position that the claims are indefinite in that they:

> "...lack sufficient structural information or defining characteristics which distinctly claim all of the known and unknown nucleic acids encoding any alternative spliced or naturally occurring variant, including the various elements